

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 58112

CITY OF AIRWAY HEIGHTS

Spokane County, Washington

January 1, 1994 Through December 31, 1995

Issue Date: March 28, 1997

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CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

**Independent Auditor's Report On Compliance With Laws And Regulations
At The Financial Statement Level (Plus Additional State Compliance
Requirements Per RCW 43.09.260)**

Mayor
City of Airway Heights
Airway Heights, Washington

We have audited the financial statements, as listed in the table of contents, of the City of Airway Heights, Spokane County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Airway Heights is the responsibility of the city's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the city's compliance with certain provisions of laws, regulations, contracts, and grants.

We also performed additional tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the city complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office. Our responsibility is to examine, on a test basis, evidence about the city's compliance with those requirements and to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the city and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of material noncompliance that are required to be reported herein under *Government Auditing Standards*. However, we noted instances of noncompliance immaterial to the financial statements which are identified in the Schedule of Findings accompanying this report.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag, CGFM
State Auditor

December 31, 1996

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

Independent Auditor's Report On Internal Control Structure
At The Financial Statement Level

Mayor
City of Airway Heights
Airway Heights, Washington

We have audited the financial statements of the City of Airway Heights, Spokane County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the city is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the prescribed basis of accounting. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the city, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The matters involving the internal

control structure and its operation that we consider to be reportable conditions are included in the Schedule of Findings accompanying this report.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the Schedule of Findings is a material weakness.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag, CGFM
State Auditor

December 31, 1996

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

Schedule Of Findings

1. The City Should Improve Internal Controls Over Cash Receipts

During our audit of the city's \$129,000 miscellaneous (non-utility) cash receipting internal control system, we noted the following weaknesses:

- a. Access to the cash box was not sufficiently restricted. Since several employees collected money using the same cash box, responsibility for these funds cannot be fixed.
- b. Independent reconciliations of the composition of receipts to deposits were not performed.
- c. The city's change fund, petty cash fund, and funds used to cash personal checks were commingled which corrupted the cash and check composition. This information is essential to preventing and detecting a common technique used to steal funds.
- d. Personal (employee) checks were not deposited in a timely manner. Our cash count revealed \$25 in personal checks that were 3-6 months old.
- e. All copies of voided receipts were not maintained.
- f. Business licenses, animal licenses, permits, and citations were not pre-numbered nor independently reconciled to receipts. As a result, we could not determine if all amounts collected from these sources were deposited for the benefit of the city.
- g. City policies regarding delinquencies and penalties over business licenses, animal licenses, and permits were unclear. In addition, penalties were assessed at the staff's discretion.
- h. Unused permits were not adequately safeguarded. They were maintained in an unlocked file cabinet.
- i. Receipts were not immediately issued. The building and codes department was collecting permit payments without receipting and then forwarding them to city hall.

City management did not implement basic internal controls over the cash receipting system.

Weaknesses in the cash receipting internal control system result in decreased accountability over cash receipts and an increased risk that errors and/or theft could occur and not be detected in a timely manner, if at all.

We recommend the city strengthen internal controls over the cash receipting system in the following ways:

- a. Restrict access to the cash box.
- b. Perform independent reconciliations of the composition noted on receipts and deposits.
- c. Establish a separate change fund, petty cash fund, and funds used to cash personal checks. Periodically review and reconcile these distinct funds.
- d. Deposit personal checks in a timely manner.
- e. Maintain all copies of voided receipts.
- f. Pre-number, safeguard and independently reconcile business licenses, animal licenses, permits, and citations to receipts.
- g. Review and revise city policies regarding delinquencies and penalties over business licenses, animal licenses, and permits. Assess all penalties when they are due. Segregate the responsibilities concerning the collection of funds and the reduction of penalties.
- h. Issue receipts immediately upon the collection of funds.

Auditee's Response

We have corrected these issues.

2. The City Should Improve Internal Controls Over The Utility Billing System

Our audit of the city's \$633,000 utility billing system revealed the following internal control weakness:

- a. There was a lack of segregation of duties. The billing clerk billed, collected, posted, deposited, and made adjustments without management oversight.
- b. Although the city did not have policies on payment arrangements or the waiving of late fees, this was regularly done for both city employees and other utility customers.
- c. Due to an error in the utility billing software, some customers were undercharged. The city has not recalculated the charges or pursued collection on these accounts.
- d. Independent reconciliations of water installations and sewer hook ups to fees collected were not performed.

City management did not implement adequate internal controls over the utility billing system.

Weaknesses in the utility billing internal control system increase the risk that errors and/or theft could occur and not be detected in a timely manner, if at all.

We recommend the city improve internal controls over the utility billing system in the following ways:

- a. Either segregate the collection and accounting functions within the utility billing system or provide management oversight to lessen the impact of the lack of segregation of duties. For management oversight to be effective, an employee independent of the utility billing system should reconcile the utility control account to subsidiary ledgers and perform periodic audits of utility records.
- b. Implement policies and procedures regarding payment arrangements and the waiving of late fees. Segregate collection responsibilities and the decision to waive late fees.
- c. Assess and pursue collection on all amounts owed the city.
- d. Perform independent reconciliations of water installations and sewer hook ups to fees collected.

Auditee's Response

We have purchased new computer software and implemented new procedures as of January 1, 1995. These items have been corrected.

3. The City Should Improve Internal Controls Over Contracts With The West Plains Service And Development Association

Per review of the city's 1994 and 1995 contracts with West Plains Service and Development Association, a non-profit organization, the following internal control weaknesses were noted:

- a. Council agreed to pay the community center \$20,000 per year to provide educational, recreational, and social services within the city and \$2,400 per year to provide management of a recreation program for the city. However, the city paid the community center another \$9,449, over the two-year period, for recreational supplies, additional salaries and wages, and recreation ASC fees which did not appear to be contracted for or have council's approval.
- b. The \$2,400 contract is ambiguous as to what additional recreational services are being provided above and beyond the \$20,000 contract. Both contracts appear to be for the same recreational services and may, therefore, result in double payments for the same activities.
- c. Contracts did not include provisions for periodic monitoring nor was any monitoring performed by the city. The city could not prove that payments made to the community center were used to meet contractual requirements.
- d. Although council agreed to lease the premises to the community center, neither the city nor the community center could locate a signed agreement. The term of the lease was allegedly 49 years, from 1989 through 2038, with rent of \$1 per year.
- e. In 1995, the community center retained an additional \$516 in ballpark revenue that should have been deposited with the city as the community center did not have contractual right to those revenues. The director of the community center stated that the funds were used for recreation programs.

Converting public funds for private use may represent a gift of public funds.

The Washington State Constitution, Article VIII, Section 7 states:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm

City management was slow to revise their contracts with the West Plains Service and Development Association.

The ambiguity and the failure to monitor contracts with the community center result in a decreased accountability over public expenditures and an increased risk that errors and/or theft could occur and not be detected in a timely manner, if at all.

We recommend the city review its contracts with the community center and implement internal controls as follows:

- a. Clarify contracts with regard to services being provided, authorized programs, required supporting documentation, and monitoring.
- b. Perform periodic monitoring of the community centers activities and records.
- c. Implement policies and procedures regarding ballpark revenue. Seek reimbursement of the \$516.

Auditee's Response

All issues have been corrected and new contracts are in place. The city no longer contracts for recreational services.

Auditor's Concluding Remarks

We appreciate the city's response to our audit findings. It appears that the concerns noted in these findings are being adequately addressed. We will review the city's progress in these areas during our next regularly scheduled audit.

We also wish to thank the city's officials and personnel for their assistance and cooperation during our audit.

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

**Independent Auditor's Report On Financial Statements And Additional
Information**

Mayor
City of Airway Heights
Airway Heights, Washington

We have audited the accompanying statements of Fund Resources and Uses Arising from Cash Transactions of the various funds of the City of Airway Heights, Spokane County, Washington, for the fiscal years ended December 31, 1995 and 1994. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1B to the financial statements, the city prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the City of Airway Heights for the fiscal years ended December 31, 1995 and 1994, on the cash basis of accounting described in Note 1B.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Long-Term Debt and Schedules of State Financial Assistance are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 1996, on our consideration of the city's internal control structure and a report dated December 31, 1996, on its compliance with laws and regulations.

Brian Sonntag, CGFM
State Auditor

December 31, 1996

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

Independent Auditor's Report On Supplementary Information
Schedule Of Federal Financial Assistance

Mayor
City of Airway Heights
Airway Heights, Washington

We have audited the financial statements of the City of Airway Heights, Spokane County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated December 31, 1996. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the City of Airway Heights taken as a whole. The accompanying Schedules of Federal Financial Assistance are presented for purposes of additional analysis and are not a required part of the financial statements. The information in the schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Brian Sonntag, CGFM
State Auditor

December 31, 1996

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

**Independent Auditor's Report On Compliance With The General Requirements
Applicable To Federal Financial Assistance Programs**

Mayor
City of Airway Heights
Airway Heights, Washington

We have audited the financial statements of the City of Airway Heights, Spokane County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated December 31, 1996.

We have applied procedures to test the city's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedules of Federal Financial Assistance, for the fiscal years ended December 31, 1995 and 1994:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements, including subrecipient monitoring

The following requirement was determined to be not applicable to its federal financial assistance programs:

- Relocation assistance and real property acquisition

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's (OMB) *Compliance Supplement for Single Audits of State and Local Governments* or alternative procedures. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the city's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those requirements.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag, CGFM
State Auditor

December 31, 1996

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

Independent Auditor's Report On Compliance With Specific Requirements
Applicable To Nonmajor Federal Financial Assistance Program Transactions

Mayor
City of Airway Heights
Airway Heights, Washington

We have audited the financial statements of the City of Airway Heights, Spokane County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated December 31, 1996.

In connection with our audit of the financial statements of the city and with our consideration of the city's control structure used to administer its federal financial assistance programs, as required by OMB Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to its nonmajor federal financial assistance programs for the fiscal years ended December 31, 1995 and 1994. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing allowability of the program expenditures and the special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the city's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the City of Airway Heights had not complied, in all material respects, with those requirements.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag, CGFM
State Auditor

December 31, 1996

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

**Independent Auditor's Report On Internal Control Structure Used In
Administering Federal Financial Assistance Programs**

Mayor
City of Airway Heights
Airway Heights, Washington

We have audited the financial statements of the City of Airway Heights, Spokane County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated December 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit, we considered the city's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated December 31, 1996.

The management of the city is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

- Assets are safeguarded against loss from unauthorized use or disposition.
- Transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the prescribed basis of accounting.
- Federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the

structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- **Accounting Controls**
 - Cash disbursements
 - Accounts payable
 - Payroll
 - General ledger
- **General Requirements**
 - Political activity
 - Davis-Bacon Act
 - Civil rights
 - Cash management
 - Federal financial reports
 - Allowable costs/cost principles
 - Drug-Free Workplace Act
 - Administrative requirements, including subrecipient monitoring
- **Specific Requirements**
 - Types of services
 - Reporting
 - Special requirements
- **Claims For Advances And Reimbursements**

For all of the applicable internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

The following internal control structure categories were determined to be insignificant to federal financial assistance programs:

- **Accounting Controls**
 - Cash receipts
 - Receivables
 - Purchasing and receiving
 - Inventory control
 - Property, plant, and equipment
- **General Requirements**
 - Relocation assistance and real property acquisition
- **Specific Requirements**
 - Eligibility
 - Matching, level of effort, earmarking
- **Amounts Claimed Or Used For Matching**

During the fiscal year ended December 31, 1995, the city had no major federal financial assistance programs and expended 62 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs: Community Development Block Grant (CFDA 14.218) and Highway Planning and Construction (CFDA 20.205).

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structures policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses, as defined above.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag, CGFM
State Auditor

December 31, 1996

CITY OF AIRWAY HEIGHTS
Spokane County, Washington
January 1, 1994 Through December 31, 1995

Status Of Prior Findings

The findings contained in the prior audit report were resolved as follows:

1. The City Should Establish And Follow Procedures To Ensure Compliance With Bid Laws

Resolution: The city has implemented written policies and procedures. We reviewed the bid files and supporting documentation. Our testing of the bid files disclosed no deficiencies. This finding has not been repeated.

2. The City Should Improve Internal Control Procedures Over The Payroll System

Resolution: We completed testing of the payroll system and found controls working as designed. This finding has not been repeated.

3. The City Should Strengthen Procedures Over The Purchasing System

Resolution: We tested fifty-six vouchers and found the Community Center (14) expenditures were lacking supporting documentation. The remaining vouchers had immaterial errors, and we found improvements in the documentation and proper authorization. The community center problems have been addressed in Finding 3. This finding has not been repeated.

4. The City Should Improve Internal Control Procedures Over Cash Handling

Resolution: We completed testing of the city's cash handling procedures and found some instances of controls being implemented. We also found numerous other problems in cash handling. We have rewritten the finding to encompass the other problems noted during the audit.

5. The City Should Not Give Retroactive Pay Increases To City Employees

Resolution: The city did not give retroactive pay increases to their city employees during the audit period. The city is aware this is a violation of the state constitution and stated that they will not give retroactive pay increases. We found no evidence of them violating state law. This finding has not been repeated.

6. City Funds Must Be Properly Accounted For To Ensure Compliance With The Laws Governing The Receipt And Expenditure Of Public Funds

Resolution: We completed a review of the fire department and found written policies and procedures were established. The volunteer fire department is not accepting fire department revenues. The city is still in the process of implementing changes as described in their auditee response. We will continue to review for compliance. This finding has not been repeated.

7. The City Should Charge The Proper Building Permit Fees

Resolution: Our testing of local revenues found numerous problems in cash handling procedures and permit control. These problems will be a condition in our cash handling finding. This finding has not been repeated but integrated into one cash handling finding.